

Service Date: December 12, 1991

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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IN THE MATTER OF THE APPLICATION     )  
OF THE MONTANA POWER COMPANY FOR     ) UTILITY DIVISION  
AUTHORITY TO MAKE SHORT-TERM         ) DOCKET NO.91.11.55  
BORROWINGS IN CALENDAR YEAR OF       ) DEFAULT ORDER 5589  
1992.                                     )  
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On November 13, 1991, The Montana Power Company (Applicant) filed with this Commission a verified Application requesting authority to issue, assume or guarantee short-term securities (in the form of a revolving credit and term loan agreement, copies of which have been provided the Commission, promissory notes to banks, Commercial Paper Drafts, Banker Acceptance Drafts or by such other means as may be deemed advisable) in a principal amount, including short-term notes now outstanding, not to exceed \$130 million outstanding at any one time during the period from January 1, 1992 through and including December 31, 1992.

At a session of the Public Service Commission of the State of Montana, held in its offices at 1701 Prospect Avenue, Helena, Montana, on November 25, 1991, there regularly came before the Commission for final action the request in this Docket and the Commission being fully advised in the premises makes the following:

FINDINGS OF FACT

1. The Applicant is a corporation organized and existing under the Laws of Montana and is qualified to transact business in Montana.

2. Applicant is engaged in electric and natural gas operations and, as such, is a public utility as defined in Section 69-3-101, MCA.

3. The Commission has jurisdiction over the subject matter of this Application, under Sections 69-3-501 through 69-3-5047, MCA, inclusive, in that the short-term borrowing and the securities proposed to be issued by Applicant will, in the aggregate, exceed five percent (5%) of the fair market value and/or par value of Applicant's other securities outstanding.

4. Public notice of the Application was given by inclusion of the Application on the Commission's agenda for November 18, 1991.

5. The proceeds from the short-term borrowings, together with internally-generated funds, will be used to meet the cash requirements of current business transactions, pending issuance of long-term securities. These business requirements consist of the temporary financing of the acquisition of property, the construction and improvement of facilities, the maintenance of service, and discharge and lawful refunding of obligations and other lawful purposes of Applicant.

6. The securities to be issued, assumed or guaranteed by the Applicant shall be in the form of secured and unsecured obligations in varying denominations, principally in the following forms: (1) notes payable to commercial banks; (2) Commercial Paper Drafts and Banker Acceptance Drafts; and (3) such other forms of short-term borrowings as may be deemed advisable by Applicant.

7. Arrangements will be made for bank loans to be evidenced by promissory notes with commercial banks or others. Term loans with commercial banks or others and short-term borrowing arrangements will be made on such conditions as Applicant may deem advisable at the time of issuance.

8. Applicant plans to either issue long-term securities or use internally-generated funds to retire the short-term borrowings made or to be made under this Application. The type,

amount, timing and method of sale of such securities has not yet been fully determined.

9. Applicant furnished complete financial data with its Application, in accordance with developed practice of the Commission. A certified copy of the appropriate corporate resolution authorizing short-term borrowings was provided with the Application.

#### CONCLUSION OF LAW

The securities transactions proposed by the Application, as hereinafter authorized, will be for a lawful purpose and are consistent with the public interest; the same are necessary or appropriate for and consistent with the proper performance by Applicant of service as a public utility; and the aggregate amount of the securities outstanding and proposed to be outstanding will not exceed the fair value of the properties and business of the Applicant.

#### ORDER

1. The Application of The Montana Power Company for authority to make short-term borrowings in the amount which, together with the notes now outstanding, will not, in aggregate principal amount, exceed \$130 million outstanding at any one time during the period from and including January 1, 1992 through and including December 31, 1992.

2. In accordance with Section 69-3-507, MCA, neither the issuance of securities by Applicant pursuant to the provisions of this Order, nor any other act or deed done or performed in connection therewith, shall be construed to obligate the State of Montana to pay or guarantee, in any manner whatsoever, any security authorized, issued, assumed or guaranteed hereunder. Issuance of this Order does not mean acceptance of the Applicant's exhibits or other material accompanying the Application for any other purpose other than the issuance of this

Order.

DONE IN OPEN SESSION at Helena, Montana this 25th day of  
November, 1991, by a 5 - 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

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HOWARD L. ELLIS, Chairman

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DANNY OBERG, Vice Chairman

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BOB ANDERSON, Commissioner

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JOHN B. DRISCOLL, Commissioner

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WALLACE W. "WALLY" MERCER, Commissioner

ATTEST:

Ann Peck  
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission  
reconsider this decision. A motion to reconsider must be  
filed within ten (10) days. See 38.2.4806, ARM.